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PAUL W. MARTIN
NCR CORPORATION, LAW DEPT.
1700 S. PATTERSON BLVD.
DAYTON, OH 45479-0001

| EXAMINER |
|---|
| ARAQUE JR, GERARDO |

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The time period for reply, if any, is set in the attached communication.

# BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 10/668,396
Filing Date: September 23, 2003
Appellant(s): GOODWIN, JOHN C.

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Paul W. Martin
<u>For Appellant</u>

## EXAMINER'S ANSWER

This is in response to the appeal brief filed February 6, 2009 appealing from the Office

action mailed November 6, 2008.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

| | | |
|---|---|---|
| 6025780 | BOWERS ET AL. | 2-2000 |
| 20030177053 A1 | OTTO | 9-2003 |

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

### Claim Rejections - 35 USC § 101

1.     35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2.     **Claim 22** is rejected under 35 U.S.C. 101 because based on Supreme Court precedent, and recent Federal Circuit decisions, the Office's guidance to examiner is that a § 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing.  Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780, 787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps.  Thus, to qualify as a § 101 statutory process, the claim should recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, applicant's method steps, fail the first prong of the new Federal Circuit decision since they are not tied to another statutory class and can be performed without the use of a particular apparatus.  Thus, claim 22 is non-statutory since they may are not tied to another statutory class.

### *Claim Rejections - 35 USC § 112, first paragraph*

3.      The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4.      **Claim 22** are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

As best understood by the examiner, the applicant has failed to properly disclose the relationship of the first, second, third, and fourth items. That is to say, each item has their own identification information associated with their respective radio frequency identification labels and each of the items are being compared with each other. However, the specification makes no mention how and why the identification of each item is being compared to the other in order to come to the conclusion that an item is an item that was brought into the store by a shopper. Further still, the examiner is also uncertain as to how the third identification information is determined using second identification when both identifications are associated with two different items. As a result, the current claims are disclosed in a manner that is inconsistent with the disclosure of the invention in that there is subject matter not properly supported by the claim.

Moreover, because the claims are not fully supported by the specification, it leads the examiner to believe that the invention is not fully disclosed and that essential

methods are being omitted from the specification, which would result in undue

experimentation.

### *Claim Rejections - 35 USC § 112, second paragraph*

5.      The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly
> claiming the subject matter which the applicant regards as his invention.

6.      **Claim 22** is rejected under 35 U.S.C. 112, second paragraph, as being indefinite

for failing to particularly point out and distinctly claim the subject matter which applicant

regards as the invention.

7.      In regards to **claim 22**, the examiner is uncertain as to what the applicant is

attempting to claim.  As best understood by the examiner, the invention according to the

claims is as follows:

- The identification (ID 1) of item 1, which is associated on a RFID (RFID 1),

  is stored in some type storage medium.  Item 1 being sold at the store.

- The identification (ID 2) of item 2 (completely different from item 1), which

  is associated on another RFID (RFID 2), is obtained using a RFID reader.

  The examiner is unsure as to whether or not item 2 is being sold at the

  store, is being brought into the store, or is just a random item that happens

  to be in the store.

- Comparing ID 1 of RFID 1 and ID 2 of RFID 2.  The examiner is unsure as

  to why this is being done since nothing comes of the comparison.  That is

  to say, what are the results of the comparison used for, if any results are

  attained?

- Discovering a third identification (ID 3) found on item 3, which is

    associated on a RFID (RFID 3), within ID 2 of RFID 2. The examiner does

    not understand how this is accomplished. How can another ID for a

    completely different item be associated on another completely different

    item that has its own ID? What is even more confusing is that the

    examiner is uncertain as to role of ID 4 found on RFID 4 on item 4. Item 4

    being a completely different item.

- Ignoring ID 3. If it is being ignored how is ID 3 affecting any of the

    previous steps?

As a result, the examiner is uncertain as to what to search for. For the purposes

of the examination, the examiner will assume that the invention is as follows:

The identification of an item is stored in a computer system and at the point of

purchase the item is the scanned in order to acquire its identification; the identification

being transmitted from an RFID found on the item. Once the item has been purchased,

the RFID will then emit a modified identification indicating that the item has already

been purchased and the customer is then able to safely exit the store.

In the event that a shopper walks into a store with an item that contains an RFID

device, a check is made at some point after entering the store as to whether or not the

item has already been purchased. An example of such a scenario is when a customer

walks into a store with an electronic device that contains an RFID on it. The electronic

device being an item that was not originally brought at the store that the customer has

walked into. If the item triggers the alarm of the store, the item is then scanned to

determine whether or not the item was stolen from the store by comparing its

identification to those stored in the store's computer.

### *Claim Rejections - 35 USC § 103*

8.      The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the
> invention was made to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was made.

9.      **Claim 1 – 7, 14 – 18, and 21 – 22** are rejected under 35 U.S.C. 103(a) as being

unpatentable over **Bowers et al. (US Patent 6,025,780)** in view of **Otto (US PGPub**

**2003/0177053 A1)**.

10.     In regards to **claims 1 and 22**, **Bowers** discloses a method of distinguishing

items for sale by a store from personal items brought into the store by a shopper

comprising the steps of:

storing stored item identification information associated with radio frequency

identification (RFID) labels on items for sale by the store in an inventory file **(Col. 2**

**Lines 15 – 20; Col. 6 Lines 50 – 53; Col 12 Lines 6 - 8)**;

reading RFID labels of items read by an RFID label reader as part of a purchase

transaction to obtain identification information **(Col. 1 Lines 22 – 45)**;

comparing the read identification information to the stored identification

information to determine whether each read RFID label is associated with an item for

sale **(Col. 2 Lines 29 – 34, 49 - 53)**;

storing the item identification information for each read RFID label associated

with the item for sale in a transaction record of the shopper **(See at least Col. 2 Lines**

**12 – 26; Col. 3 Lines 30 – 36; Col. 6 Lines 48 - 56; Col. 9 Lines 15 – 33; wherein tag**

**information regarding purchased products are stored in a transaction record of**

**the customer and is used to determine the status of the tag)**;

ignoring the read identification information of any read RFID labels determined to

be in the transaction record and thereafter ignoring the read identification information of

any remaining read RFID labels determined not to be associated with an item for sale

as being associated with the personal items brought into the store by the shopper **(See**

**at least Col. 2 Lines 12 – 26; Col. 3 Lines 30 – 36; Col. 6 Lines 48 - 56; Col. 9 - 10**

**Lines 15 – 33; wherein tag information regarding purchased products are stored**

**in a transaction record of the customer and is used to determine the status of the**

**tag and any tag that is determined to have been purchased either at the store or**

**at some other stored is ignored and allowed to leave the premises without setting**

**off the store's alarms)**.

**Bowers** discloses all of the above limitations, but fails to explicitly disclose:

storing costs for items for sale in a price look-up file;

utilizing the item identification information for each read RFID label associated

with an item for sale to obtain the cost for the item from the price look-up file.

**Otto** discloses that it is old and well known to use RFID labels in a retail

environment. **Otto** further discloses that it is also old and well known for RFID labels to

be used as a means of looking up price information in a price look up file within the retail

system **(Fig. 1; Page 1 ¶ 20)**.

Therefore, it would have been obvious to one having ordinary skill in the art at

the time of the invention to modify **Bowers** in view of the teachings of **Otto** to include

the added feature of having an RFID label as a means to looking up cost information in

a price look-up file.

11.     In regards to **claim 2**, **Bowers** discloses completing the purchase transaction for

items having RFID labels associated with items for sale **(inherently included)**; and

updating the inventory file to mark any items for which the purchase transaction

was completed as sold **(Col. 2 Lines 15 – 26; Col. 9 - 10 Lines 15 – 33)**.

12.     In regards to **claim 3**, **Bowers** discloses reading the RFID labels to obtain item

identification information for an item read as the shopper exits the store **(Col. 9 - 10**

**Lines 15 – 33)**;

utilizing the updated inventory file to determine if the RFID label are associated a

personal item, items for sale, or sold items **(Col. 9 - 10 Lines 15 – 33)**.

13.     In regards to **claim 4**, **Bowers** discloses displaying an alert on a security read

display if it is determined the item is an item for sale **(Col. 10 Lines 5 – 12)**.

14.     In regards to **claim 5**, **Bowers** discloses utilizing transaction software to create a

shopper transaction to create a shopper transaction record identified by a unique

transaction number and indicating purchased items of a receipt **(Col. 9 - 10 Lines 54 –**

**5)**.

15.     In regards to **claim 6**, **Bowers** fails to explicitly disclose utilizing a card reader to accept a payment card.

However, **Bowers** does disclose that the method and system is used in a retail environment. It would have been obvious to one having ordinary skill in the art that there are several methods of making a payment at a retail store, which would include the use of a credit card, gift card, or the like. As a result, it would have been obvious for a card reader to be present in order to carry out such a transaction.

Therefore, it would have been obvious to one having ordinary skill in the art at the time of the invention in view of the teachings of **Bowers** to include a card reader in the event that the customer would pay for the items with a credit card, gift card, or the like.

16.     In regards to **claim 7**, **Bowers** discloses purging items marked as sold from the inventory file **(Col. 3 Lines 8 – 11)**.

17.     In regards to **claim 14**, **Bowers** discloses a system for distinguishing items for sale by a store from personal items brought into the store by a shopper comprising:

a label reader for reading radio frequency identification (RFID) label on items the shopper possesses at the time of a purchase transaction **(Col. 1 Lines 27 – 36)**;

memory for storing an inventory file of stored item identification information associated with RFI labels on items for sale by the store **(Col. 2 Lines 15 – 26)**;

memory for storing the item identification information for each read RFID label associated with the item for sale during a transaction in a transaction record of the shopper **(See at least Col. 2 Lines 12 – 26; Col. 3 Lines 30 – 36; Col. 6 Lines 48 -**

**56; Col. 9 Lines 15 – 33; wherein tag information regarding purchased products are stored in a transaction record of the customer and is used to determine the status of the tag)**;

a computer for obtaining identification information from the RFID labels on the items the shopper possesses from the label reader, for comparing the read identification information to the stored identification information associated with the items for sale by the store to determine whether each read RFID label is associated with an item for sale, and for ignoring the read identification information of any read RFID labels determined to be in the transaction record and thereafter ignoring the read identification information of any remaining read RFID labels determined not to be associated with an item for sale as being associated with the personal items brought into the store by the shopper **((See at least Col. 2 Lines 12 – 26; Col. 3 Lines 30 – 36; Col. 6 Lines 48 - 56; Col. 9 - 10 Lines 15 – 33; wherein tag information regarding purchased products are stored in a transaction record of the customer and is used to determine the status of the tag and any tag that is determined to have been purchased either at the store or at some other stored is ignored and allowed to leave the premises without setting off the store's alarms))**.

**Bowers** discloses all of the above limitations, but fails to explicitly disclose:

memory for storing costs for items for sale in a price look-up file;

utilizing the item identification for each read RFID label associated with an item for sale to obtain the cost for the item from the price look-up table.

**Otto** discloses that it is old and well known to use RFID labels in a retail environment. **Otto** further discloses that it is also old and well known for RFID labels to be used as a means of looking up price information in a price look up file within the retail system **(Fig. 1; Page 1 ¶ 20)**.

Therefore, it would have been obvious to one having ordinary skill in the art at the time of the invention to modify **Bowers** in view of the teachings of **Otto** to include the added feature of having an RFID label as a means to looking up cost information in a price look-up file.

18.     In regards to **claim 15**, **Bowers** discloses, wherein the computer comprises a transaction computer which is operated to complete a purchase transaction for items having RFID labels associated with an item for sale **(Col. 9 - 10 Lines 15 – 33)**.

19.     In regards to **claim 16**, **Bowers** discloses wherein the computer further operates to update the inventory file to mark any items for which the purchase transaction was completed as sold **(Col. 1 Lines 15 – 26)**.

20.     In regards to **claim 17**, **Bowers** discloses a security computer which determines that said label read as the shopper exits the store are for items for sale and not marked sold **(Col. 10 Lines 5 – 12)**.

21.     In regards to **claim 18**, **Bowers** discloses wherein the security computer controls display of an alert on a security display if it is determined any label read as the shopper exits the store is for an item for sale and not marked sold **(Col. 10 Lines 5 – 12)**.

22.     In regards to **claim 21**, **Bowers** discloses wherein the computer also purges the inventory file to eliminate any items marked as sold **(Col. 3 Lines 8 – 11)**.

### (10) Response to Argument

### Rejection under 35 U.S.C. 103

23.     Appellant argues that the **combination of Bowers and Otto** fails teach:

"**Claim 1:**

         storing the item identification information for each read RFID label

associated with the item for sale in a transaction record of the shopper; and

         ignoring the read identification information of any read RFID labels

determined to be in the transaction record and thereafter ignoring the read

identification information of any remaining read RFID labels determined not to be

associated with an item for sale as being associated with personal items brought

into the store by the shopper.

**Claim 14:**

         memory for storing the item identification information for each read RFID

label associated with the item for sale during a transaction in a transaction record

of the shopper;

         …

         computer for … ignoring the read identification information of any read

RFID labels determined to be in the transaction record and thereafter ignoring

the read identification information of any remaining read RFID labels determined

not to be associated with an item for sale as being associated with personal

items brought into the store by the shopper."

However, at least, **Bowers** clearly discloses in, at least, **Col. 6 Lines 48 – 56 and Col. 9 Lines 15 – 33** that RFID tags are provided to indicate whether an article is sold, unsold, returned or resold. **Bowers** further discloses that each RFID tag has an associated "serial number" in order to determine whether the item having the RFID tag is an item that has been brought at the retail store where the RFID tag is being read or at another retail store.

Consequently, it would have been obvious to one having ordinary skill in the art that, at least, **Bowers** discloses a system and method wherein an RFID tag is attached to an item and wherein the RFID tag is read to determine if the item is from the retail store where the RFID tag is being read or if it was purchased from another retail store. In the event that a match is found at the retail store where the RFID tag is being read the system associates the RFID tag with the item in question and further records the item as being "sold", if it is being purchased. For items that have been purchased, the system then creates a record of the RFID tag along with other information about the article (transaction record), which is an old and well known method of conducting business in a retail environment.

Therefore, it is asserted that, at least, **Bowers** does, indeed disclose, "storing the item identification information for each read RFID label associated with the item for sale in a transaction record of the shopper," and, "memory for storing the item identification information for each read RFID label associated with the item for sale during a transaction in a transaction record of the shopper."

Regarding, the **combination of Bowers and Otto** disclosing, "ignoring the read

identification information of any read RFID labels determined to be in the transaction

record and thereafter ignoring the read identification information of any remaining read

RFID labels determined not to be associated with an item for sale as being associated

with personal items brought into the store by the shopper," and, "computer for …

ignoring the read identification information of any read RFID labels determined to be in

the transaction record and thereafter ignoring the read identification information of any

remaining read RFID labels determined not to be associated with an item for sale as

being associated with personal items brought into the store by the shopper," the

Examiner asserts that, at least, **Bowers** discloses this limitation.

**Bowers** discloses these limitations in, at least, **See at least Col. 2 Lines 12 –

26; Col. 3 Lines 30 – 36; Col. 6 Lines 48 - 56; Col. 9 - 10 Lines 15 – 33** wherein an

RFID tag outputs a signal identifying whether the article is sold, unsold, returned, or

resold.  **Bowers** further discloses that the system then determines whether a match is

found in its database and performs a specific action.  In the event that the system

outputs a "no action" signal in a retail environment, the likely explanation when not

match occurs is that the tag is similar in kind to shoe used by the store that the

customer is in, but belongs to an article associated with a different store, or different

chain of stores.  In other words, the system ignores the read RFID tag by not performing

any action since it would be understood that the article in question was purchased at

another store and brought into the current or has been purchased at the store where the

interrogation was performed.

Therefore, it is asserted that, at least, **Bowers** does, indeed disclose, "ignoring the read identification information of any read RFID labels determined to be in the transaction record and thereafter ignoring the read identification information of any remaining read RFID labels determined not to be associated with an item for sale as being associated with personal items brought into the store by the shopper," and, "computer for … ignoring the read identification information of any read RFID labels determined to be in the transaction record and thereafter ignoring the read identification information of any remaining read RFID labels determined not to be associated with an item for sale as being associated with personal items brought into the store by the shopper."

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Gerardo Araque Jr.

/Gerardo  Araque Jr./

Examiner, Art Unit 3689

March 23, 2009

Conferees: (2)

1) Dean Nguyen, Primary Examiner, AU 3689

/Tan  Dean D. Nguyen/
Primary Examiner, Art Unit 3689
3/24/09

2)

Vincent Millin /vm/

Appeals Practice Specialist